

ER 68-803

D-R-A-F-T

MEMORANDUM FOR THE RECORD

SUBJECT: Retirement Policy

25X1A 1. This is to record the deliberations at a meeting called by the Executive Director-Comptroller at 1400, 8 February. Present were: the Deputy Directors, Messrs. Bannerman, Duckett, Karamessines and Smith; the General Counsel, Mr. Houston; the Inspector General, Mr. Earman; the Special Assistant to the Deputy Director for Support for Special Studies, [REDACTED] and the Director of Personnel, Mr. Wattles. Colonel White distributed copies of the attached outline which provided an agenda for the meeting. He introduced the discussion by commenting on the two paragraphs of I. saying that if we can't make the assumption of I.A., there was no purpose in the meeting. As to I.B., he elaborated on the point that because of our recent history of failure to get legislative action on other matters including annuity cost-of-living improvement, it seemed wise that we not plan to resolve our retirement questions through legislation but rather to do what we could within current authorities. The Deputy Directors were asked to comment, in turn, on the basic issue, II.A.

2. The Deputy Director for Intelligence, Mr. Smith, addressed himself to both questions. He could accept an early retirement policy only if it included provisions for liberal exceptions. He argued that his professional employees are professionals in the broader sense; i.e., that they were people who had prepared themselves through academic study for professional careers which could have been found outside the Agency and that in such outside employment arbitrary retirement for age was not a condition of employment. He agreed that there are

management problems but that stringent managerial actions based on the Director's clear authority could accomplish the desired results. He argued that our circumstances in this Agency are not unique and that the rationale as presented in draft would not support early retirement as a policy. He recognized that there may be a rationale but he had yet to see it stated. Later in expanding on his position, he said that any policy must accommodate both management and employee points of view. And finally, that should the Agency adopt a single retirement policy for both systems with a liberal policy for exception, it would be his practice in the Intelligence Directorate rather than to make extensions the exception for the rare individual, most professionals who were making an adequate contribution would be extended to age 62. Mr. Smith argued that we were attempting to establish long-range policy and should not let current personnel management problems be overriding.

3. Mr. Bannerman held the position that we need a policy of early retirement across the board to move out the old generation. There is a great need to introduce current skills and background--to update the professional and technical competence of the Support area. He argued that there should be a single policy though there are two systems. He said further that the use of the word "expected" in the present regulation caused mischief and was looked upon by his people as playing games--arguing, therefore, that there should be an unequivocal statement of Agency policy.

4. The Deputy Director for Plans, Mr. Karamessines, said that he needed the earliest possible retirement age for three reasons. The first being the serious problem of covering the overseas employment of older people. He not infrequently found himself in the position of trying to send out a man who obviously by years

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Second,

it was critically important that he maintain a high level of mental and physical vigor in his Career Service; the work is demanding and tiring. Third, he needed to provide the opportunity for dynamic career progression and referred to the ferment in the younger grade 13-14 group which, though not yet unmanageable, did exist and was of concern. He also raised the question of the management problems which would be generated if we had a different policy for the two systems.

5. Mr. Duckett said the Science and Technology Directorate would have minimal problems over the next few years although there are some for whom early retirement is desirable and necessary. He would urge reconsideration of the standards by which people are now put in the Agency System--it being his belief that this provided the proper instrument for handling those specific cases. He made the argument that we appeared in our efforts to get the CIA System to have established the need for two systems, and to argue now for a single policy--which in a sense seemed to be arguing for a single system--would seem to deny our earlier position. (Colonel White observed that we had tried to get a single system but that Congress had denied it.)

6. Mr. Houston, when asked for his comment, said that he personally likes an early retirement policy but that he was concerned with what he saw as a potentially serious political problem in an effort by the Agency to employ an early retirement policy, observing that Congress itself runs on the seniority principle and the idea of early departure was therefore likely to be unpopular there.

7. Mr. Earman fixed on an observation made earlier by Mr. Karamessines that a 30-year service formula rather than just age would be the best approach. He did recognize that age would have to be included and suggested that perhaps some combination of service and age that provided a decent annuity was the answer.

8. After further clarifying discussion, Colonel White summarized the sense of the group which was that there ought to be one age at which most employees should leave, but that the different components having different problems and different reasons for making exceptions should be provided within a fixed policy the opportunity to adapt to their respective conditions. Further, the statement of rationale should be redrafted to reflect the sense of the day's discussion, and should be in such form that the General Counsel could use it in court or before our committees and also could be provided to all Agency employees to explain the Agency command position.

9. Consideration was then turned to II.E. of the attached where questions were raised about 12 possible exceptions. Taken by number the following agreements were reached:

- (1) There should be no general exception.
- (2) Yes.
- (3) Age 62 or 20 years of service, whichever comes first.
- (4) Yes, if requested by the employee. ✓
- (5) Yes.
- (6))
: Will be studied further by the Deputy Director for Support.
- (7))
- (8) No.
- (9) No.
- (10))
: These can be dealt with under the general policy.
- (11))
- (12) No.

10. The issues, under III., dealing with the problem of additional recompense which might require legislative action were left for further study by the General Counsel, Mr. Houston, and the Special Assistant to the Deputy Director for Support for Special Studies, Mr. Echols.

Robert S. Wattles
Director of Personnel

Att.

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Approved For Release 2000/09/13 : CIA-RDP78-03721A000500080014-2

RETIREMENT POLICY

I. GENERAL

- A. The Director has unquestioned legal authority to enforce an early retirement policy.
- B. Legislation of any kind is difficult to obtain. Hence, we must first try to settle those things which we can do without legislation and then proceed to those things which are desirable but which would require legislation.

II. DISCUSSION

- A. Should CIA have an early retirement policy, i. e., retirement earlier than the law normally requires? If so, what is the rationale?
- B. At what age should retirement normally be required?
- C. Should the policy be the same for personnel serving under different retirement systems, i. e., Civil Service and CIA?
- D. Should it be the same for all components or career services of the Agency?
- E. Should there be exceptions for:
 - 1. Personnel who at the time they joined CIA thought or were led to believe, or now believe, that they had the right to work until age 65 or 70? (The law is, of course, controlling under the CIA System.)
 - 2. Those who do not have twelve years of creditable service at retirement age? (This is important for insurance benefits.)
 - 3. Those not yet age 62 who do not have twenty years of service? (This assumes that the answer to B above is something lower than age 62.)

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4. Those who until 1967 were exempted until age 62?
(They have not had the many years of advance notice given to other employees.)

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6. All Wage Board employees of the Printing Services Division?
7. Wage Board employees generally?
8. Lower-graded clerical ~~and blue-collar workers~~?
9. Those with technical skills in grades GS-7 and below for whom it is difficult to recruit replacements and whose loss would create training problems (Communications and Finance)?
10. Those individuals of unusual qualifications who cannot readily be replaced?
11. Those for whom a short-term extension is needed in order to train a replacement?
12. Those writing histories?

III. PROBLEMS REQUIRING FURTHER STUDY AND/OR LEGISLATION

- A. Recompense, in addition to the annuity now provided by law, for persons who retire early
 1. Under the Civil Service Retirement System.
 2. Under the CIA Retirement System.

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